

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**CORRECTED  
FISCAL NOTE**

**HB 1922 - SB 2663**

February 25, 2018

**SUMMARY OF BILL:** Requires the Department of Education (DOE) to provide standardized assessment results to LEAs no later than two weeks after the date of submission by a local education agency (LEA) rather than by June 30 of each year.

**ESTIMATED FISCAL IMPACT:**

On February 18, 2018, a fiscal note was issued for this bill with the following impact:

*Decrease State Expenditures – Net Impact – \$30,819,300/FY18-19/Education  
\$30,830,500/FY19-20 and Subsequent Years/Education*

*Other Fiscal Impact – Recurring federal funds for K-12 education may be jeopardized as a result of this legislation. The precise amount, if any, cannot be reasonably determined. However, the Governor's recommended budget document, on page B-81, identifies \$1,137,319,100 in federal funding for K-12 schools.*

Based on additional information regarding the possible loss of federal funding, the fiscal note is being corrected. The estimated fiscal impact is estimated as follows:

**(CORRECTED)**

**Decrease State Expenditures – Net Impact – \$30,819,300/FY18-19/Education  
\$30,830,500/FY19-20 and Subsequent Years/Education**

**Other Fiscal Impact – Recurring federal funds for K-12 education may be jeopardized as a result of this legislation. The precise amount, if any, cannot be reasonably determined.**

**Assumptions:**

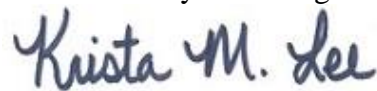
- Based on information from the DOE, this legislation will require a redesign of the assessment program, taking out anything but multiple choice answers in order to expedite the scoring and reporting process.
- Based on information from the DOE, this will require an additional round of Braille Review, as it has already been completed for the upcoming year, FY18-19.

**HB 1922 - SB 2663 (CORRECTED)**

- This will result in a one-time increase in state expenditures of \$11,214 in FY18-19 to redesign the assessment program.
- Due to the fact that the state will no longer have to hand-score constructed response test items or generate constructed response test items, there will be a recurring decrease in state government expenditures estimated to be \$30,830,473 (\$25,025,238 hand scoring (grades 3-8) + \$5,800,400 high school exams + \$4,835 test construction for response forms).
- The total net impact is estimated to be a net decrease in state government expenditures of \$30,819,259 (\$30,830,473 - \$11,214) in FY18-19.
- In FY19-20 and subsequent years, the recurring decrease in state expenditures is estimated to be \$30,830,473.
- The DOE indicates that reducing the test to a multiple choice only exam will move the test out of alignment from the established Tennessee academic standards.
- Title 1 part A of the Every Student Succeeds Act (ESSA) requires measurement of state standards.
- The revised assessments, if not aligned with state standards, may therefore be out of compliance with federal ESSA requirements, resulting in a possible loss of federal funding at the discretion of the U.S. Department of Education (USDOE).
- The amount of federal funding that could be in jeopardy is unknown and dependent upon action of the U.S. Department of Education; however, based on information from the National Conference of State Legislatures, no state is known to have lost federal funding under the Elementary and Secondary Education Act (ESEA), No Child Left Behind (NCLB), or Every Student Succeeds Act (ESSA). Some states have come close and had to renegotiate waivers or have lost NCLB waivers.
- In FY17-18, the state received \$359,805,200 in ESEA and federal requirement funding.

## **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



Krista M. Lee, Executive Director

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